

REGISTRATION DOCUMENT

This Registration Document is issued in accordance with the provisions of Article 90 of the Companies Act (Chapter 386 of the laws of Malta) and of Commission Regulation (EC) No. 809/2004 of 29th April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30th March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4th June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30th April 2013 and Commission Delegated Regulation (EU) No. 382/2014 of 7th March 2014.



ZAMMIT FINANCE PLC

Dated 5 November 2015

**In respect of an issue of a €6,000,000 5.25% Secured Global Note 2020 – 2022
represented by the €6,000,000 5.25% Secured Participation Notes 2020 – 2022
issued at par by**

Zammit Finance p.l.c.

A public limited liability company registered in Malta on 1st June 2015
with company registration number C-70870

Prospective investors are to refer to the sections entitled "Risk Factors" contained in this Registration Document, Securities Note and Summary for a discussion of certain risk factors, which should be considered by prospective investors in connection with the Global Note and the Participation Notes. The Global Note and the Participation Notes are complex financial instruments and may not be suitable for all types of retail investors. A potential investor should not invest in the Notes unless: (a) He/she has the necessary knowledge and experience to understand the risks relating to this type of financial instrument; (b) the Notes meet the investment objectives of the potential investor; and (c) such potential investor is able to bear the investment and financial risks which result from investment in these Notes.

THE SECURITIES OFFERED HEREBY ARE BEING ISSUED AND OFFERED THROUGH AN OFFER TO THE PUBLIC IN MALTA BY THE ISSUER. NO APPLICATION HAS BEEN MADE, NOR IS IT INTENDED THAT AN APPLICATION BE MADE, FOR THE SECURITIES ISSUED HEREBY TO BE ADMITTED ON A REGULATED MARKET OR OTHER TRADING PLATFORM. RELIANCE ON THIS REGISTRATION DOCUMENT FOR THE PURPOSE OF ENGAGING IN ANY INVESTMENT ACTIVITY MAY EXPOSE AN INDIVIDUAL TO A SIGNIFICANT RISK OF LOSING ALL OR A SUBSTANTIAL PART OF THE PROPERTY OR OTHER ASSETS INVESTED.

THE REGISTRAR OF COMPANIES AND THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPT NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKE NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS, INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE SECURITIES.

Placement Agent and Manager


Calamatta Cuschieri
MEMBER PARTNER IN FINANCIAL SERVICES

James Zammit

Raymond Zammit

Legal Counsel

CDF
ADVOCATES

Alfred Lupi



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THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF THE GLOBAL NOTE AND ANY NOTES MAY NOT BE TAKEN AS AN IMPLICATION: (A) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (B) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER SINCE SUCH DATE; OR (C) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY UNLISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT LEGAL ADVISORS, ACCOUNTANTS AND/OR OTHER FINANCIAL ADVISORS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE NOTES AND THE PROSPECTUS.

THE GLOBAL NOTE AND THE NOTES SHALL NOT BE ADMITTED TO LISTING ON ANY REGULATED MARKET.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THE PROSPECTUS AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF SO APPLYING AND OF ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXATION IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE PUBLIC OFFERING IN MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE GLOBAL NOTE AND THE NOTES OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA), WHICH HAS IMPLEMENTED THE DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4TH NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING (THE "PROSPECTUS DIRECTIVE") OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF THE PROSPECTUS DIRECTIVE, THE GLOBAL NOTE AND THE NOTES CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN THE PROSPECTUS DIRECTIVE), AS WELL AS IN ANY OTHER CIRCUMSTANCES THAT DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE.


A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO AND APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY ACTING THROUGH THE REGISTRAR OF COMPANIES IN MALTA AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE COMPANIES ACT.



1. DEFINITIONS


In this Registration Document the following words and expressions shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

“Act” or “Companies Act” the Companies Act, 1995, Chapter 386 of the laws of Malta;

 **“Company” or “Issuer”** Zammit Finance p.l.c., a public limited liability company registered under the laws of Malta on 1st June 2015 having its registered office at Aries House, Triqta-Hlas, Haz-Zebbug, Malta and bearing company registration number C-70870;

“Designated Optional Redemption Period” any day falling between and including 30th September 2020 and 30th September 2022 when the Issuer shall be entitled, at its option and in its sole discretion, to redeem part or all of the Global Note then outstanding and all interest accrued up to the date of prepayment, by giving at least thirty (30) days’ advance written notice to the Trustee;

“Directors” or “Board” the directors of the Company whose names are set out in sub-section 4.1 of this Registration Document;

 **“Euro” or “€”** the lawful currency of the Republic of Malta;

“Global Note” the €6,000,000 Global Note 2020 - 2022 issued at par and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 5.25% per annum to be issued by the Issuer in favour of the Trustee (in its capacity as trustee for the benefit of the Participation Note Holders) representing the amount due by the Issuer to the Trustee and creating, acknowledging and representing the indebtedness of the Issuer to the Trustee in accordance with the terms and conditions to be set out in the Prospectus;

“Global Note Issue” The issuance of the Global Note;



amended, updated, replaced and supplemented from time to time;

- “Prospectus Directive”** Directive 2003/71/EC of the European Parliament and of the Council of 4th November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time;
- “Redemption Date”** 30th September 2022, unless otherwise redeemed at the Issuer’s sole discretion on any day during the Designated Optional Redemption Period;
- “Related Company”** means JMC Property Co Ltd, a company registered under the laws of Malta with company registration number C 52422 and having its registered office at Aries House, Triq tal-Hlas, Haz-Zebbug, Malta.
- “Registration Document”** this document in its entirety dated 5 November 2015, forming part of the Prospectus;
- “Regulation”** Commission Regulation (EC) No. 809/2004 of 29th April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30th March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4th June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30th April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; and Commission Delegated Regulation (EU) No. 382/2014 of 7th March 2014 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for publication of supplements to the



2. RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES THAT MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S FINANCIAL RESULTS AND TRADING PROSPECTS AND THE ABILITY OF THE ISSUER TO FULFIL ITS RESPECTIVE OBLIGATIONS UNDER THE SECURITIES ISSUED BY THE ISSUER FROM TIME TO TIME. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER AS AT THE DATE OF THE PROSPECTUS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER FACES. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER.

NEITHER THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED HEREIN IN CONNECTION WITH THE NOTES (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE PLACEMENT AGENT AND MANAGER THAT ANY RECIPIENT OF THIS PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY NOTES. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS OF THIS DOCUMENT.

2.1 Forward-looking statements

The Prospectus and the documents incorporated therein by reference or annexed thereto contain forward-looking statements that include, among others, statements concerning the Issuer's strategies and plans relating to the attainment of its objectives, capital requirements and other statements of expectations, beliefs, anticipated developments and other matters that are not historical facts and that may, accordingly, involve predictions of future circumstances. Prospective investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe" or similar phrases. Such forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer's control.



In addition, the Issuer will also generate interest income on the existing hire purchase trade receivables acquired on a “with recourse” basis from J. Zammit Limited and from the Related Company immediately after the issuance of securities pursuant to this Registration Document and the Securities Note. In this respect, the Issuer may be dependent on J. Zammit Limited and the Related Company to the extent that the said companies would be in a position to settle any shortfall that may arise in the event of non-payment of the bills of exchange by the respective debtors.

The Global Note shall constitute the general, direct and unconditional obligation of the Issuer and, in accordance with the provisions of the Trust Deed, the Participation Notes shall be secured by the bills of exchange held by the Trustee for the benefit of the Participation Note Holders and, in that respect only, shall rank in preference to all other present and future unsecured obligations of the Issuer, if any. The hire purchase trade receivables are secured by bills of exchange entered into with private individuals resident in Malta, which bills of exchange will be endorsed by J. Zammit Ltd and the Related Company in favour of the Issuer and subsequently in favour of the Trustee. In this respect, the Issuer will pay to J. Zammit Ltd and the Related Company the face amount of each bill of exchange less any unaccrued interest. Endorsement of the bill of exchange will operate so as to transfer the property of the bill of exchange to the endorsee, in this case the Issuer. As endorsee, the Issuer shall be entitled to claim payment of the bill of exchange from the acceptor thereof, namely the original customer of J. Zammit Ltd and the Related Company, on the maturity date of the bill of exchange. In view of the fact that the bills of exchange will be endorsed in favour of the Issuer “with recourse”, the Issuer will enjoy a right of recourse for payment of the bills of exchange against the drawer thereof, namely J. Zammit Ltd and the Related Company. Endorsement of bills of exchange between the Issuer and J. Zammit Ltd and the Related Company will be made “without protest”, meaning that in the event of non-payment of a bill of exchange the Issuer need not protest the bill in the form required by law to retain its right of recourse against J. Zammit Ltd and the Related Company.

The cash flows and earnings of the Issuer and J. Zammit Limited may be restricted by: changes in applicable laws and regulations; by the terms of agreements to which they are or may become party; or by other factors beyond the control of the Issuer. The occurrence of any such factor could, in turn, negatively affect the ability of the Issuer to meet its obligations in connection with the repayment of principal and interest under the Global Note when due.



2.3.3 J. Zammit Limited may not be able to successfully execute its long-term business strategy. There is no assurance that J. Zammit Limited will be able to drive growth to the extent desired through its focus of efforts and resources on its sales or to enhance profitability to the extent desired through continuous improvement. Changes in general economic conditions, tightening of credit or other factors may adversely impact retail sales. The automotive industry has been affected by general economic conditions over which it has little control. These factors can weaken the retail environment and lead to weaker demand for discretionary purchases such as cars. Should general economic conditions or automotive industry demand decline, J. Zammit Limited's results of operations and financial condition may be substantially adversely affected.

2.3.4 The automotive industry can also be affected by other factors over which it has little control. J. Zammit Limited is reliant on the attractiveness of the car models designed by the car manufacturers. The attractiveness and competitiveness of any brand of cars, and of particular models, is influenced by a host of factors such as engineering quality, design, the age of a particular model, the brand's plans for its replacement and cost (which may also be impacted, inter alia, by exchange rates and the incidence of registration taxes). These are all external factors over which J. Zammit Limited has no control, and in certain circumstances, may negatively impact the level of demand for some of the cars offered by J. Zammit Limited.

2.3.5 Weak economic conditions generally, sustained uncertainty about global economic conditions or a prolonged or further tightening of credit markets could cause J. Zammit Limited's customers and potential customers to postpone or reduce spending on technology products or services or put downward pressure on prices, which could have an adverse effect on J. Zammit Limited's and the Issuer's respective businesses, results of operations or cash flows.

2.3.6 J. Zammit Limited operates in a highly competitive market. Substantial competition could reduce their respective market share and significantly harm their financial performance. This level of competition may increase, which may limit the future ability of J. Zammit Limited to maintain its market share and revenue level. Businesses join and leave the market and/or expand or reduce their product and/or services ranges in response to competitive forces. Some competitors may have access to greater resources or use strategies such as lower pricing, wider selection of products/services, exclusive products/services, higher promotional and advertising intensity and more efficient sales methods. Increasing competitive pressures may cause J. Zammit Limited and/or the Issuer to make certain pricing, service or marketing decisions that could have a material adverse effect on their respective revenues, costs, financial conditions and results of operations.



respective businesses. Although no single person is solely instrumental in fulfilling J. Zammit Limited's and the Issuer's respective business objectives, there is no guarantee that these objectives will be achieved to the degree expected following the loss of key personnel. The loss of the services of any of the key personnel could have, in the short term, a material adverse effect on either companies' business.

2.3.9 The interest rates charged by J. Zammit Limited to its car hire purchase customers and the number of concluded hire purchase agreements could be adversely impacted by a number of events including political, social and economic instability, among others, all of which could have the effect of reducing the demand for car sales, which may have an adverse impact on the Issuer and J. Zammit Ltd's operations and financial results.

2.3.10 With respect to losses for which the Group is covered by its insurance policies, it may be difficult and may take time to recover such losses from insurers. No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates.

2.3.11 J. Zammit Limited's business consists of the sale of used motor vehicles, both on a cash basis and on hire purchase terms. In this respect, the financing element of hire purchase agreements and the bills of exchange held as security is subject to a number of specific risks including, among others, changes in interest rates, bad debts and the reduction of demand. If these risks were to materialise, they would have an adverse impact on J. Zammit Limited's revenue generation, cash flows and operational performance, which in turn will have an adverse impact on the revenue generation, cash flows and operational performance of the Issuer insofar as the Issuer acquires bills of exchange from J. Zammit Limited. Furthermore, J. Zammit Limited, and consequently the Issuer insofar as it acquires bills of exchange from J. Zammit Limited, is subject to various counterparty risks, including its customers. Such parties may fail to perform, or may default on, their obligations to J. Zammit Ltd due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons, which are beyond the Issuer's control. If such risks, many of which are common to the lending industry, were to materialize, they could have an adverse impact on the Issuer's revenue generation, cash flows and financial performance.

2.3.12 Risks relating to the Issuer's limited trading records

Since the Issuer was incorporated on 1st June 2015, it has no trading record or history of operations. Additionally, the Issuer's projections are highly dependent on the level of sales activity (i.e. both in terms of volume sold as well as the prices at which the motor vehicles are



With the issue of the Global Note, the Issuer's capital structure is expected to change from one where the Issuer is funded through shareholders' equity to a highly leveraged capital structure. Furthermore, with the issue of the Global Note, the Group's capital structure is expected to change from one where the Group is funded through shareholders' equity and bank loans to a more leveraged capital structure. This could have an adverse effect on the financial condition of the Issuer and the Group generally should actual results differ materially from those anticipated by the Group.

The Group is subject to taxation, environmental and health and safety laws and regulations. As with any business, the Group is at risk in relation to changes in laws and regulations and the timing and effects of changes in the laws and regulations to which it is subject, including changes in the interpretation thereof which cannot be predicted. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Prospectus upon the business and operations of Group companies. The Group is also at risk in relation to other factors over which the Group has no control, such as catastrophic events, terrorist attacks and other acts of war or hostility all of which could have an adverse effect on the business, financial condition and profitability of the Group.

The Group is also subject to various counterparty risks and existing or prospective customers defaulting on their obligations with the Group. Such parties may fail to perform or default on their obligations to the Group due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons that are beyond the Group's control.



Alfred Lupi – Chairman and Non-Executive Director

Mr Lupi is currently engaged in family business consulting and holds non-executive board positions in local and international companies, operating mainly in insurance, but also in shipping, investment services and industrial activities. He was previously CFO of Airmalta p.l.c., Executive Chairman of Pavi Shopping Complex p.l.c., which is Malta's only listed shopping complex, and is a former Director of the Central Bank of Malta. He was previously Chairman of the Malta Accountancy Board, the statutory regulator of the Accountancy Profession, and currently member of the Quality Assurance Oversight Committee set up by the Accountancy Board to oversee audit practice in Malta.

James Zammit - Chief Executive Officer of the Group

Mr James Zammit is the Managing Director of the Issuer and is entrusted with the Group's day-to-day management. Mr Zammit was, from an early age, actively involved in the business development of the main divisions within the businesses originally founded by Mr Raymond Zammit. Mr James Zammit is also the sole director and shareholder of J. Zammit Limited that operates Ray Auto Dealer and in conjunction with others is involved in Premier Cars Malta. In 2009 Mr Zammit was also appointed Secretary of the Importers and Car Dealers Association (ICDA). He is also involved in a number of companies in the building and property development sector and is a director of Finance House plc, which is licensed by the MFSA as a financial institution.

Raymond Zammit - Executive Director

Mr Raymond Zammit has extensive experience dating back many years in the automotive and property development markets. Mr Zammit was the founding member of Raymond Auto Dealer which is today one of the largest secondhand vehicle importers in Malta and whose business is now being operated by J. Zammit Limited. From an early age, he was also actively involved in property development and has been involved and continues to own, alone or in conjunction with others, a large number of property development companies. Mr Zammit is a director of Finance House plc, which is licensed by the MFSA as a financial institution.

4.2 Key executives of the Issuer

In addition to the directors of the Issuer there are no other key executive of the Issuer.

4.3 Advisors to the Issuer

Legal Counsel: CDF Advocates of 25/23 Vincenti Buildings, Strait Street, Valletta VLT 1432 Malta.



5.3 Selected Financial Information - J. Zammit Limited

Since the Issuer will acquire bills of exchange relating to motor vehicle sales on an ongoing basis from J. Zammit Limited, the selected financial information of J. Zammit Limited is contained in this section of the Registration Document. The historical financial information of J. Zammit Limited is set out in the audited financial statements for each of the financial years ending 31 December 2012 to 2014. Set out below are summarised extracts from the financial statements of J. Zammit Limited for the years ending 31 December 2012 to 2014.

<i>J. Zammit Limited – Statements of Comprehensive Income</i>			
<i>For the year ended 31 December</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
	€	€	€
Revenue	3,046,836	3,812,477	7,551,737
Cost of sales	(2,458,657)	(3,170,700)	(6,902,543)
Gross profit	588,179	641,777	649,194
Other income	219,558	152,740	214,975
Administrative and other expenses	(369,239)	(431,526)	(667,393)
EBITDA	438,498	326,991	196,776
Depreciation and amortisation	(42,329)	(60,058)	(110,355)
Operating profit	396,169	302,933	86,421
Finance income	188,778	328,864	304,942
Finance costs	(136,483)	(181,386)	(182,345)
Profit before tax	448,464	450,411	209,018
Taxation	(156,961)	(165,835)	(57,068)
Profit for the year	291,503	284,576	151,950

The business activity of J. Zammit Limited increased significantly during 2014, with total revenue of circa €7.5m generated from the sale of 745 motor vehicles (2014: 408). The improvement was largely driven by a growth in the demand for Japanese imported motor vehicles, which J. Zammit Limited introduced to its product range in 2013 together with higher sales of exotic and luxury motor vehicles. As sales volumes increased, the overall gross profit margins of J. Zammit Limited decreased to 8.6% in 2014 (2013:16.8%), which decline was underpinned by a number of factors, including among others, a shift in the sales mix whereby lower margin Japanese imported vehicles represented a larger portion of the total revenue base, as well as management's decision to sell a number of motor vehicles at lower overall margins. The decline in EBITDA in 2014 was largely influenced by an increase in administrative expenses, which include variable items such as commissions and factoring charges.

growth of J. Zammit Limited's overall business activity, the overall gearing ratio of the company experienced a marginal decrease during the year.

<i>J. Zammit Limited – Statements of Cash Flows</i>			
<i>For the year ended 31 December</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
	€	€	€
Net cash from/(used in) operating activities	(1,536,117)	(285,986)	(770,698)
Net cash used in investing activities	(49,719)	(38,770)	(252,851)
Net cash from/(used in) financing activities	1,587,605	327,893	953,917
Net (decrease)/increase in cash and cash equivalents	1,769	3,137	(69,632)
Cash and cash equivalents at 1 January	7,303	9,072	12,209
Cash and cash equivalents at 31 December	9,072	12,209	(57,423)

6. INFORMATION ABOUT THE ISSUER

6.1 History and development of the Issuer

Full legal and commercial name of the Issuer: Zammit Finance p.l.c.

Registered address: Aries House, Triq tal-Hlas, Haz-Zebbug, Malta

Place of registration and domicile: Malta

Registration number: C-70870

Date of registration: 1st June 2015

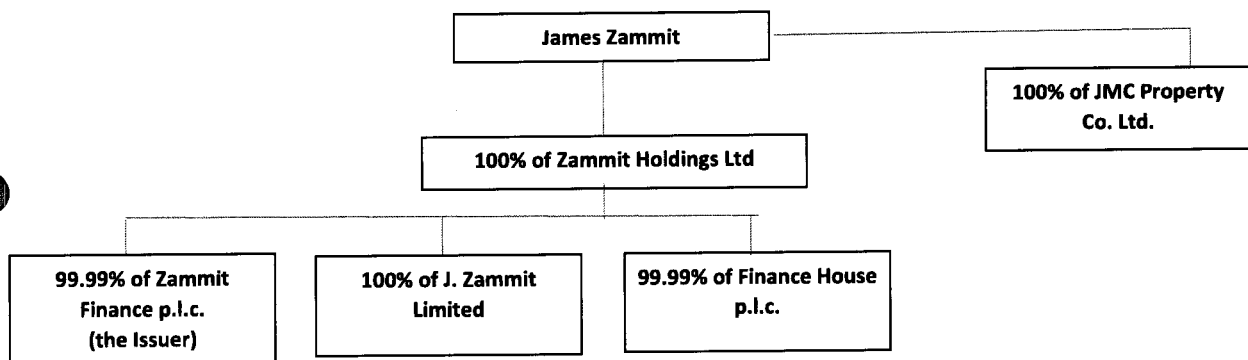
Legal form: The Issuer is lawfully existing and registered as a public limited company in terms of the Act.

Telephone number: +356 21463331.

The Issuer is a fully owned subsidiary of Zammit Holdings Ltd, which latter entity is the parent company of the Group.

6.2 Group organisational structure

The organisational structure of the Group, relevant to the Issuer, is illustrated in the diagram below as at the date of the Prospectus:



The proceeds of the Issue, the Global Note and the Participation Notes will not be covering any lending to, or purchase of bills of exchange from Finance House p.l.c.

6.3 Investments since last published financial statements

The Issuer was set up on 1st June 2015 and, since incorporation to the date of this Registration Document, no financial statements have been prepared.

No material investments have been made by the Issuer since the date of its incorporation and there are no investments there are in progress and no future investments on which the Issuer has already made firm commitments.

Statements regarding the Issuer's competitive position are contained in Section 8 of the Registration Document.



During the same period however, the local demand for second-hand Japanese manufactured vehicles started increasing and, in 2013, the company ventured in the importation and sale of Japanese vehicles through its affiliation with the Used Vehicles Importers Association (UVIA). J. Zammit Limited operates its flagship showroom in Zebbug, a five-storey complex, under the trade name of 'Cars Unlimited'. In recent years, J. Zammit Limited has expanded its local presence with an increased network of showrooms across Malta such as Premier Car Centre and JC Car Sales. The showrooms are either: (i) operated and managed by J. Zammit Limited, or (ii) used by J. Zammit Limited through some form of affiliation with other car dealers.

During the course of its operations, J. Zammit Limited has experienced a constant growth in its activities in the second-hand car market where it has also provided hire purchase terms to its customers. Mr. James Zammit coined and registered "Cars Unlimited Malta" as the Group's new trade name and "Cars Unlimited Premier" for the higher end Burmarrad showroom.

7.2.2 JMC Property Co. Ltd

Mr. James Zammit also holds a 100% equity interest in JMC Property Co. Ltd., a company incorporated in 2011 with the intention of operating in the real estate sector, in particular the development and sale of property. Since its inception, the company was involved in the development of a property in Attard consisting of a block of apartments, penthouses and garages. However, during 2013, its activities also extended to include the sale of used motor vehicles in the local market. This extension of services is in line with the company's Memorandum and Articles of Association. The intention of the Board of Directors of JMC Property Co. Ltd is to revert to its operations in the real estate sector following the proposed Global Note Issue, whereby it is the intention of JMC Property Co. Ltd to assign all existing bills of exchange relating to motor vehicle sales held in its name to Zammit Finance p.l.c.

7.2.3 History of the Group

The timeline and key milestones of the Group are as follows:

1988: Raymond Auto Dealer Ltd was incorporated. Since its inception, Raymond Auto Dealer was principally involved in the purchase and sale of local second-hand motor vehicles, as during this period, legislation imposed strict limitations on the number of motor vehicles that may be imported each year.

2006: J. Zammit Limited was established.

2008: J. Zammit Limited commenced with the importation of second-hand motor vehicles from the United Kingdom.

8. TREND INFORMATION AND TRADING PROSPECTS

Over the years, the second-hand vehicle market in Malta has become highly competitive, with an increase in the number of second-hand motor vehicle dealers and models imported at competitive prices. The second-hand car import market has grown substantially in the last few years, as evidenced by statistics published by the National Statistics Office included in the tables below. The importation of second-hand vehicles, particularly from Japan and the UK, which imposes no registration tax on new vehicles, has also increased substantially. The information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by the National Statistics Office, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Statistics taken from the National Statistics Office report issued in August 2014, which covers the period 1st January 2011 up to 31st December 2013, show that the registration of second-hand cars remained practically at same levels in 2013 and 2012. Furthermore, comparing these figures with the registration of new vehicles, there is a significant difference in favour of second-hand cars, which indicates the strength of the market for second-hand cars in which the Group operates. This is shown in the tables below:

2nd Hand Cars registration

	2013	2012	2011
Passenger Cars	7343	7153	9513
Commercials (Goods carrying vehicle only)	1131	1066	1051

New Cars registration

	2013	2012	2011
Passenger Cars	5749	5884	6362
Commercial (Goods carrying vehicle only)	8	12	9

9. MANAGEMENT AND ADMINISTRATION

9.1 The Issuer

9.1.1 The Board of Directors of the Issuer

The Memorandum of Association of Zammit Finance p.l.c. provides that the affairs of the Company shall be managed and administered by a Board of Directors to be composed of not less than two and not more than five directors, who are appointed by the shareholders.

Specifically, in terms of the Company's Articles of Association, Zammit Holdings Ltd is empowered to appoint the Directors of the Issuer by means of an ordinary resolution in general meeting, thereby putting it in a position to appoint an absolute majority of the Directors of the Issuer and, accordingly, having control over the management and operations of the Issuer.

The Issuer is currently managed by a Board of three (3) Directors, who are responsible for the overall direction and management of the Company. The Board currently consists of two executive Directors, who are entrusted with the Company's day-to-day management and one non-executive Director whose main functions are to monitor the operations of the executive Directors and their performance, as well as to review any proposals tabled by the executive Directors. As at the date of the Prospectus, the Board of the Issuer is composed of the individuals listed in sub-Section 4.1 of this Registration Document.

None of the Directors of the Company have been:

- (a) Convicted in relation to fraud or fraudulent conduct in the last five (5) years;
- (b) Declared bankrupt or associated with any liquidation or insolvency caused by action of creditors;
- (c) The subject of any official public incrimination or sanction by any statutory or regulatory authority; or
- (d) Disqualified by a court from acting as director or manager in the last five (5) years.

9.1.2 Appointment of Directors

The Directors of the Issuer are appointed as aforesaid. In line with generally accepted principles of sound corporate governance, at least one (1) of the Directors shall be a person independent of the Group.



discretion, may allow the interested director to be present for part of the discussion.,

- C. The chairperson of the meeting concerned may, at his discretion, authorise that the circularisation to the affected director of that part of the board minutes regarding the discussion and / or voting on matters covered by sub-article (B) of this article be withheld.
- D. The provisions of paragraph (B) above shall not apply to:
- (a) any arrangement for giving any director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
 - (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or
 - (c) any contract by a director to subscribe for or underwrite shares or debentures of the Company; or
 - (d) any contract or arrangement with any other company in which he is interested only as an officer of the company or as a holder of shares or other securities;

and these prohibitions may at any time be suspended or relaxed to any extent and either generally or in respect of any particular contract, arrangement or transaction, by the Company in general meeting.

- E. The provisions of paragraph (B) above shall not apply to any contract or arrangement in which a director is interested when acting as a director of another company forming part of the same group of companies of which the Company forms part.



- Credit Controller –Manager and Chief Credit Controller, responsible for court cases and setting up of procedures regarding debt collection, two debt servicing officers and a cashier.

9.3 Working Capital

As at the date of the Prospectus, the directors of the Issuer are of the opinion that the working capital available to the Issuer is sufficient for the attainment of their objects and the carrying out of their respective business for the next twelve (12) months of operations.

10. BOARD PRACTICES

10.1 Compliance with Corporate Governance requirements

10.1.1 The Issuer

During the period running from its incorporation to the date of the Prospectus, the Issuer was not subject to the Corporate Governance Guidelines for Public Interest Companies (the "Code") due to the fact that it did not qualify as a public interest company. As a consequence of the present Global Note Issue, the Issuer intends to adopt the provisions of the Code.

10.1.2 Audit Committee

The Issuer does not intend to establish an Audit Committee.

10.1.3 Dividend Policy

For as long as the Global Note remains outstanding, it is the intention of the Directors not to distribute dividends.

11. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

11.1 Interests of major shareholders of the Issuer

The authorised and issued share capital of the Issuer is of €50,000 divided into 50,000 ordinary shares of a nominal value of €1 each, which are subscribed to and allotted as fully paid up shares as follows:

<i>Name of Shareholder</i>	<i>Number of shares held</i>
Zammit Holdings Limited (C-70870)	49,999 ordinary shares



11.3 Directors' interests

Mr James Zammit occupies the position of director in respect of both the Issuer, J. Zammit Limited and the Related Company. Mr Raymond Zammit occupies the position of director of the Issuer.

To the extent known or potentially known to the Issuer as at the date of the Prospectus, the following are the potential conflicts of interest between the duties of the directors of the Issuer and their private interests and/or their other duties, which require disclosure in terms of the Regulation:

- Mr. James Zammit is a director of J. Zammit Limited and JMC Property Limited, with which the Issuer shall engage in significant transactions as detailed in this Registration Document.
- Mr. Raymond Zammit is the father of Mr. James Zammit and this may exercise significant influence on him when taking decisions as part of the Board of Directors of the Issuer.

According to Article 70 of the Memorandum and Articles of Association (see Section 9.1.5 above) it should be noted that the voting restrictions on directors do not apply in respect of any contract or arrangement with any other company in which he is interested only as an officer of the company or as a holder of shares or other securities.

12. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFIT AND LOSSES

12.1 Historical Financial Information

The Issuer was set up on 1st June 2015 and, since incorporation to the date of this Registration Document, no financial statements have been prepared.

The audited financial statements of J. Zammit Limited for the financial year ended 31st December 2014 have been audited by KPMG, certified public accountants in Malta. These audited financial statements have been published and are available for inspection at the Issuer's registered office during office hours.

12.2 Significant change in the Issuer's financial or trading position

There has been no significant change in the financial or trading position of the Issuer, which has occurred since its incorporation on 1st June 2015. Furthermore, there has been no material change or recent development in the financial or trading position of the Issuer that could adversely affect potential investors' assessments in respect of the Participation Notes.



capital of the Company. Such authorisation shall be for a maximum period of five years, renewable for further periods of five years each.

Article 5 of the Articles of Association provides that without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine.

The manner in which shares in the Company may be issued is set out in Article 8 of the Articles of Association. This Article provides that upon any issue of shares, whether part of the original authorised capital or any increase thereof:

- (a) these ordinary shares shall be offered on a pre-emptive basis to the existing holders of the ordinary shares in the Company in proportion as nearly as may be to the number of ordinary shares held by each such holder of ordinary shares;
- (b) where there is more than one class of ordinary shares, shares issued to a particular class shall first be offered to the holders of the ordinary shares in that particular class, and any shares not taken up by any holder of the shares in that class shall be offered pro-rata to the other shareholders of that class;
- (c) if any shares remain not taken up by holders of shares in a class as provided in paragraph (b) above, they are to be offered to holders of ordinary shares in the other classes in proportion, as nearly as may be, to the number of shares they hold.
- (d) if after exhausting the procedure in paragraphs (a), (b) and (c) above there shall remain any ordinary shares that have not been taken up, such shares may be freely issued to non-shareholders.

The shares of the Company are not listed on the Malta Stock Exchange or on any other regulated market and no application for such listing has been made to date.

There is no capital of the Company that is currently under option, nor is there any agreement by virtue of which any part of the capital of the Company is to be put under option.

13.2 Commissions

There were no commissions, discounts, brokerages or other special terms granted during the two (2) years immediately preceding the publication of the Prospectus in connection with the issue or sale of any capital of Group companies.



audit or other verification of any book of account, balance sheet, profit and loss account, certificates or information furnished to it by the Issuer;

iv. carry on its business in a proper and efficient manner;

v. forthwith on receipt of same, deliver to the Trustee all orders, directions, notices and other things whatsoever affecting or likely to adversely affect the Property and the Issuer shall be entitled to retain a copy thereof, at its own expense.

The Issuer and the Trustee will observe the following procedure with respect to the Property:

a. Every two weeks, a report in arrears listing all the Physical Property that has been issued within the same two week period is sent together with the Physical Property for the Trustee to reconcile. Upon being satisfied of the correctness of such report and reconciliation with the Physical Property, the Trustee shall retain the Physical Property and a cash amount corresponding to 85% of the total face value of the Physical Property will be advanced by the Trustee to the Issuer;

b. Payments received by the Issuer from its underlying clients shall be deposited in an account designated for the savings of such payments;

c. On the 7th day of each month, the Issuer shall deliver to the Trustee a report in arrears listing all the Physical Property, which has expired the immediately preceding month. On the same day the Issuer shall pay the Trustee, according to the said report, a cash amount corresponding to 85% of the total face value of such Physical Property. The Trustee shall reconcile this and send the expiring Physical Property to the Issuer;

d. Every week interest due on the Global Note shall be saved by the Issuer in a separate account of the Issuer, which shall be used specifically for the savings of interest that shall be payable to the Trustee two weeks before the interest is due to the Participation Note Holders.

The Trustee shall deposit the Property (excluding bills of exchange) with a reputable bank in Malta under the terms and conditions that the Trustee shall deem fit and shall not be required to invest in other assets except when requested to do so by the majority of the Beneficiaries pursuant to a meeting called in terms of Clause 12 of the Trust Deed. When depositing funds with a reputable bank in Malta, the Trustee shall have regard to the provisions of Annex III of the Trust Deed as well as any information received from the Issuer about its funding requirements.

Upon the occurrence of an Event of Default, the Trustee shall be entitled to enforce the Trust Deed in terms of Maltese law. The Trustee is not bound to take any such steps or proceedings to



and the Beneficiaries without assigning any reason whatsoever and without being responsible for any costs occasioned by such retirement.

The Participation Note Holders also have the power exercisable by a resolution passed at a meeting of Participation Note Holders passed by 75% in value of the Participation Note Holders to remove the Trustee. The Issuer undertakes to use all reasonable endeavors to procure that a new trustee is appointed soon as practicable after removal. In the event that no replacement has been appointed within fifteen (15) days of removal of the Trustee, a successor trustee may be appointed by seventy-five percent (75%) in value of the Beneficiaries. The resignation or removal of the Trustee shall not become effective until such time as a successor trustee is appointed.

The Trustee may, at its discretion, charge a fee to Participation Note Holder for each cancellation and subsequent entry made in the Register of Participation Note Holders, which fee shall not exceed sixty Euro (€60) per cancellation or subsequent entry.

14. THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

The Prospectus does not contain any statement or report attributed to any person as an expert.

15. DOCUMENTS ON DISPLAY

For the duration period of this Registration Document, the following documents or certified copies thereof, where applicable, shall be available for inspection at the registered office of the Issuer at Aries House, Triq tal-Hlas, Haz-Zebbug, Malta, during office hours:

- i. The Memorandum and Articles of Association of the Issuer, J. Zammit Limited and JMC Property Co Ltd;
- ii. The Trust Deed;
- iii. The audited financial statements of J. Zammit Limited for the financial years ended 31st December 2013 and 31st December 2014.

the Issuer will be principally involved in acquiring bills of exchange relating to motor vehicle sales from J. Zammit Limited on a “with recourse” basis every month.

In addition, a portion of the net proceeds raised shall also be used to acquire existing hire purchase trade receivables relating to motor vehicle sales from J. Zammit Limited and the Related Company. The amounts of net proceeds expected to be utilised to acquire the existing hire purchase trade receivables is dependent on the book of bills of exchange existing as at the date of transfer, which book is constantly evolving with the passage of time, thus limiting the ability to precisely estimate the amount of net proceeds required to acquire the existing hire purchase trade receivables. For the purposes of the Prospective Financial Information, it has been assumed that circa €794k of the net proceeds raised shall be used to acquire existing hire purchase trade receivables from J. Zammit Limited and circa €1,564k shall be utilised to acquire existing hire purchase trade receivables from the Related Company.

Bases of preparation

The bases of preparation relating to the environment in which the Issuer and other entities within the Group operates, and which underpins the Prospective Financial Information are the following:

- The Prospective Financial Information is mainly based on the continuation of the Group’s existing activities provided through J. Zammit Limited, whereby the Issuer is projected to acquire car loans from J. Zammit Limited on a “with recourse” basis every month. In this respect, J. Zammit Limited will be in a position to sustain its expected level of operations over the period under consideration;
- The Group will continue to enjoy the confidence of its customers and suppliers throughout the period under consideration.
- The Group will enjoy good relations with its employees throughout the period under consideration.
- The Group will continue to recruit the required appropriate personnel at the projected cost levels.
- There will be no material external adverse events that will have an impact on the activities of the Group, either directly or indirectly.
- The bases and rates of taxation, both direct and indirect, will not change materially during the three month period 1 October 2015 to 31 December 2015 and the two financial years ending 31 December 2016 and 2017.
- The bases on which the Group’s bankers determine the rate of interest charged on facilities made available will not change materially throughout the period under consideration.
- The rate of inflation throughout the period under consideration will not exceed that experienced in the last few years.
- Any changes in exchange rates will not adversely affect the Group’s operations.



based on the assumption that an acquisition cost equivalent to 90% of the car loan amount will be paid to J. Zammit Limited, with such payment projected to be affected on a cash basis as soon as the car loan is acquired by the Issuer.

d) Administrative and other expenses

Administrative expenses are principally fixed in nature and are based on the nature and size of the future expected operations and, where applicable, on cost levels experienced in the past in relation to Finance House p.l.c. (a related company within the Group that has a similar trading activity and cost structure), adjusted for inflation as appropriate.

e) Exchange fluctuations

The Prospective Financial Information does not provide for any gains or losses arising out of any possible exchange fluctuations through the period under consideration.

f) Taxation

Income tax comprises current and deferred tax. Current and deferred tax are recognised in the profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year and has been projected based on a tax rate of 35% on profit before taxation.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied on temporary differences when they reverse.

A deferred tax asset is recognised for unutilised tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Conclusion

The Directors believe that the assumptions on which the Prospective Financial Information is based are reasonable.



A financial liability is derecognised when its contractual obligations are discharged or cancelled, or expire. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.1.1 Financial assets – Measurement

Financial assets comprises loans and receivables and includes trade and other receivables and cash and cash equivalents.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents comprise cash balances.

1.1.2 Financial liabilities

Financial liabilities comprises the Global Note and trade and other payables.

Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

1.2 Share capital: ordinary shares

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

2) Plant and equipment

2.1 Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major component) of plant and equipment.

Gains or losses on disposal of an item of plant and equipment are determined by comparing the net proceeds from disposal with the carrying amount of plant and equipment and are recognised

for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off.

3.2 Non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4) **Revenue**

Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Company and these can be measured reliably.

4.1 Interest receivable

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

4.2 Bill charges and similar income

Annex B: Accountant's Report



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The Directors
Zammit Finance p.l.c.,
Aries House,
Triq Tal-Hlas,
Zebbug,
Malta

7 September 2015

Dear Sirs,

Accountant's Report on the Prospective Financial Information of Zammit Finance p.l.c.

We report on the prospective financial information of Zammit Finance p.l.c., which comprises the profit forecast for the three-month period 1 October 2015 to 31 December 2015 and the profit projection for the two years ending 31 December 2016 and 2017 (hereinafter referred to as the "Prospective Financial Information"). The Prospective Financial Information is dated 7 September 2015 and is set out in Annex 1 of Zammit Finance p.l.c.'s Registration Document, which is expected to be issued in October 2015.

Directors' Responsibility

It is the Directors' responsibility to prepare the Prospective Financial Information, together with the material assumptions on which they are based, in accordance with the requirements of Commission Regulation (EC) No 809/2004 of 29 April 2004, as subsequently amended.

Accountants' Responsibility

It is our responsibility to provide the opinion required by Annex IV item 9.2 of EU Regulation EC809/2004.

Since the Prospective Financial Information and the assumptions on which they are based relate to the future they may be affected by unforeseen events. The variation between forecast/projected and actual results may be material. We are not required to express, nor do we express, any opinion on the possibility of achievement of the results set out in the Prospective Financial Information or on the underlying assumptions.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with this report.

Work Performed

We have carried out our work in accordance with ISAE 3000, "Assurance Engagement other than Audits or Reviews of Historical Financial Information".